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Commissioner Baxter & Presiding Commissioner Lindwall
Regulation of Australian Agriculture
Productivity Commission
Transmitted via email to: agriculture@pc.gov.au

Dear Commissioners

Regulation of Australian Agriculture Productivity Commission Draft Report

Thank you for the opportunity to respond to the Regulation of Australian Agriculture Draft Report. The National Heavy Vehicle Regulator (NHVR) supports the Productivity Commission's recommendations, in particular those made in Chapter 8, Transport.

The NHVR has closely considered the Draft Report and agrees that it presents an accurate overview of heavy vehicle regulation as it relates to the agricultural sector and the transport industry more broadly. The NHVR agrees with the sentiment of the Productivity Commission and acknowledges that there is much more to be achieved in developing a truly national, harmonised system of heavy vehicle regulation in Australia.

The NHVR's policies and future work program are all underpinned with the aim of reducing regulatory burden while increasing safety and productivity through both harmonising and modernising heavy vehicle regulation in Australia. In particular, this includes developing risk-based programs of targeted regulation. The NHVR agrees that the introduction of telematics will be a significant step forward in the modernisation of heavy vehicle regulation in Australia.

A key part of heavy vehicle reform that is still evolving is the relationships between, and responsibilities of, road managers, state and territory transport agencies and the NHVR. The NHVR is confident that the development of better, nationally consistent datasets, resulting from national programs and the increased use of telematics, will enable evidence-based national policy harmonisation that is supported by industry, jurisdictions and the community.

The NHVR recognises the importance of agriculture in the Australian economy and community. It is committed to partnering with agricultural sectors in an ongoing capacity to deliver safe and productive movement of agricultural produce and equipment. A recent example of this is the release of the second livestock fatigue template "Long Runs" on Monday 15 August 2016 to provide additional flexibility where operators demonstrate appropriate control of fatigue. The NHVR is continuing to work with the Australian Livestock and Rural Transporters Association to introduce controls and countermeasures as part of their industry's fatigue risk management systems.

The NHVR is pleased to provide the following responses to key recommendations.

Draft Recommendation 8.1

States and territories that are participating in the Heavy Vehicle National Law should increase the number of routes that are gazetted for heavy vehicle access. Permits should only be required in locations where there are significant risks to public safety or infrastructure that must be managed on a case-by-case basis.

There are arrangements in South Australia to allow road users to propose and undertake road route assessments for gazettal, and in Queensland to fund road assessments and gazettals on both state and local roads. These arrangements should be considered for adoption in other jurisdictions or expansion in respective states.

The NHVR strongly supports this recommendation, in particular that permits should be required as exceptions to the access process and not as standard. Through the NHVR permit approval process, road managers continue to be encouraged to shift toward gazetting routes or pre-approving routes rather than permitting. At 30 June 2016 the NHVR had secured 1022 pre-approved routes and initiated 370 route gazette requests covering 284 local government areas, a 74 per cent increase on the previous year.

The NHVR has demonstrated its growing capacity in the area of access harmonisation with delivery of the *National Class 1 Special Purpose Vehicle Notice* and the *National Performance Based Standards (PBS) Level 1 & 2A Truck and Dog Notice* in May and June 2016. These notices will result in the reduction of approximately 4,000 and 1,500 road manager consent requests respectively. Additionally, the NHVR expects the introduction of the Class 1 Load Carrying Oversize and OverMass Vehicles Notices in Victoria, NSW, South Australia and Tasmania to result in the reduction of a further 25 000 permits.

Continued reduction in the requirement for road manager consents and permits will be achieved by harmonising further notices. To this end, the NHVR is entirely dependent upon the will of its participating jurisdictions to negotiate a way to consensus when harmonising notices. Without the active cooperation of participating jurisdictions, the NHVR is unable to deliver these vital national reforms.

Looking forward, and in accordance with the access harmonisation priorities agreed to by the Transport and Infrastructure Senior Officials Committee, the NHVR is planning to commence the following four work items:

- National Class 2 Road Train Authorisation Notice*
- National Class 2 B-double Authorisation Notice*
- National Higher Mass Limits Declaration*
- National Class 1 Agricultural Vehicle Mass and Dimension Exemption Notice*

* draft/working titles

Draft Recommendation 8.2

The Australian, state and territory governments should pursue road reforms to improve the efficiency of road infrastructure investment and use, particularly through the introduction of road-user charging for selected roads, the creation of Road Funds, and the hypothecation of revenues in a way that incentivises the efficient supply of roads.

While road-user charging is outside the responsibility of the NHVR, it recognises further reform in this area will be largely dependent on datasets generated by the introduction of a national program of regulatory telematics. The NHVR is moving toward an era of heavy vehicle regulation underpinned by broad-scale telematics. It will be the key to decreasing the cost of regulation while improving its effectiveness. It will also be a valuable tool in increasing road manager confidence regarding the usage and impact of heavy vehicles on their roads.

The NHVR is currently developing a discussion paper regarding operator incentives for the take-up of voluntary regulatory telematics. This will be the first step in developing a national telematics strategy, whereby the NHVR intends to partner with industry to encourage, and potentially incentivise, voluntary participation in programs of regulatory telematics. This is consistent with the National Transport Commission's *Compliance Framework for Heavy Vehicle Telematics*, which prioritises voluntary engagement with regulatory telematics wherever possible.

Draft Recommendation 8.3

The National Heavy Vehicle Regulator, road managers, and relevant third parties (such as utilities and railway companies) should ensure that requirements for moving oversized agricultural machinery are proportionate to the risks involved. To achieve this they should, wherever possible, make greater use of gazettal notices or other exemptions for oversized agricultural machinery, and issue permits for oversized agricultural machinery that are valid for longer periods and/or for multiple journeys.

The NHVR strongly supports this recommendation. The NHVR recognises that agricultural equipment is fundamentally different from the rest of the heavy vehicle fleet: it has a different risk profile and represents different patterns of time and movement on the road network. With this in mind, and as discussed above, planning for the National Class 1 Agricultural Vehicle notice* is underway. Aims of the notice will include exemptions for local movements and the shift towards gazetted access over permitted access.

Draft Recommendation 8.4

The Australian, state and territory governments should review the National Heavy Vehicle Regulator (NHVR) as part of the planned review of the national transport regulation reforms. The review should fully assess concerns over inefficiencies in heavy vehicle regulations, and identify ways in which new funds allocated following the abolition of the Road Safety Remuneration Tribunal could best be used by the NHVR to improve road safety in all states and territories.

The NHVR welcomes the opportunity for review by the Productivity Commission and notes the review is part of a broader review of the economic impact of transport regulators tasked to the Productivity Commission by the Council of Australian Governments.

The NHVR looks forward to the opportunity to identify areas of improvement within the HVNL in particular and notes there are some areas of the law as it was drafted that could be amended to be better matched to the operational realities of delivering it. For example:

- The HVNL requires the NHVR to obtain consent from road managers for permits or notices for which access has not previously been consented, even for vehicles that pose a lesser impact on the network than vehicles that are currently afforded access.
- There are no external review rights available in relation to the decisions of road managers and no consequences for failing to comply with the time limits for decision-making imposed under the Act.

While the Heavy Vehicle National Law (HVNL) establishes national consistency on key issues for the heavy vehicle industry, it was based on a consolidation of existing legislative instruments that enabled States and Territories to tailor operational policy and processes to highly localised preferences. Part of the legacy of these arrangements is that the law is complex, highly prescriptive, and relatively inflexible. There are very good arguments to consider continuing the reform process to facilitate more responsive decision-making that responds to the actual risks presented by non-standard vehicle operations. This approach would see, for example, the removal of the current mandatory requirement to obtain consent from each road manager for each permit application where access is required for vehicles that pose a lesser impact on the network than vehicles that are currently afforded.

In a similar vein, a major obstacle to the NHVR achieving its strategic objectives and fulfilling its role as a national regulator is the fractured and inconsistent state of many heavy vehicle policies relied on by road managers in determining access. These different policies applied by jurisdictional and local road managers result in opportunity costs for the NHVR, industry and the national economy, as operators incur unnecessary costs and experience delays to their operations. This is exacerbated by the lack of co-ordination or consultation in the development and implementation of these policies at a local level.

Jurisdictional inconsistencies also result in drawn-out and resource intensive processes when the NHVR does attempt to harmonise regulatory settings, as it has done for relatively narrow vehicle classes such as SPVs, OSOM and PBS vehicles through the development of national notices. Due to these inconsistencies, the NHVR cannot easily systemise business processes, which impacts its ability to achieve efficiencies on behalf of the heavy vehicle industry.

In relation to the reallocation of Road Safety Remuneration Tribunal funds it should be noted that on 5 August 2016 the Transport and Infrastructure Council agreed to the NHVR's proposed use of the reallocated \$3.8m (for 2016-17). Of this, \$2.45m will be apportioned to the National Compliance Information System (NCIS). Specifically, this money will be used to add Automatic Number Plate Recognition to Australia's heavy vehicle monitoring networks, commencing with Victoria.

Automatic Number Plate Recognition is part of ongoing work to expand the current heavy vehicle monitoring capability through the provision of a complete, automated national heavy vehicle monitoring network. It is envisaged more camera sites and connections will be identified and installed in coming years and, as resourcing allows, in Tasmania, the Australian Capital Territory and Queensland, with additional scope for NCIS adoption in the Northern Territory and Western Australia. Automatic Number Plate Recognition is an essential step forward in delivering safety-focussed, fatigue monitoring regulation that both increases regulatory efficiency while decreasing the regulatory burden on compliant operators.

The NHVR thanks the Productivity Commission for the opportunity to comment on the Regulation of Australian Agriculture Draft Report. Should you require any further advice regarding the information contained in this letter, please contact Tanya McDonald, Executive Director, Strategy and Stakeholder Relations

Yours sincerely

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